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Federal Communications Commission
Office of Secretary

**STATEMENT BEFORE
FEDERAL COMMUNICATIONS COMMISSION
OPEN FORUM REGARDING OSS**

by

ANNE K. BINGAMAN

Senior Corporate Vice President

LCI International

President, Local Telecommunications Division

May 28, 1997

Good morning. It is an honor to be here, and I sincerely commend the Commission and its Common Carrier Bureau for convening the Open Forums on these critical OSS issues.

What I have to tell the Commission and the Bureau today is that there is a firestorm raging in the telecommunications industry. The firestorm is called OSS, and it is literally consuming us all -- ILECs, CLECs, consumers and potential CLEC customers alike. The OSS deadline of January 1, 1997 is now fully five months behind us. Yet OSS problems remain serious; they are fundamental; and they are across the board. No ILEC¹ is immune, and no ILEC is even close to being in compliance with the Commission's August 1, 1996 Local Competition Order.

Let me give a brief overview of where we are first in the comparatively simple resale environment, and then in the vitally important unbundled network element (UNE) environment, so central to the Commission's goals and to the Telecommunications Act of 1996. I am sorry to have to report that gaping deficiencies exist in resale. As to the all-important OSS for UNEs, progress is so minimal as to be non-existent. The industry needs the Commission to act, and act now, to help the industry and American consumers with this vital issue.

I. OVERVIEW OF OSS PROBLEMS IN THE RESALE ENVIRONMENT

First, even as to simple resale, the fundamentals for competition at parity with ILECs by competitors are simply missing.

¹ As used herein, "ILEC" refers to the RBOCs and GTE. (Sprint is a member of the LCUG, the Local Competition Users' Group, which espouses established performance standards. Other members of LCUG are AT&T, MCI, LCI and WorldCom.)

Ameritech

As an example, let me cite LCI's experiences with Ameritech, generally considered, I understand, to be further ahead in OSS issues than other ILECs. Yet, as LCI's staff has documented to Ameritech throughout the Winter of 1997 and, as I told Neil Cox, the President of Ameritech Information Industry Systems in a meeting and letter on May 22, 1997, LCI is receiving usage data three to seven days late, while Ameritech receives it immediately. [See Ex. A] Even for simple resale, LCI cannot bill its customers in a timely fashion. For monthly usage data, including monthly recurring charges and non-recurring charges, Ameritech is weeks behind schedule, chronically, despite our best efforts to get them to file timely reports.^{2 3} The customers, of course, do not understand that it is not LCI's fault that items appear on their bills which are two months old, nor do they understand why the bill is five to seven days behind, with huge gaps between the date a charge was incurred and the date the bill is sent. We simply

² While Ameritech should be providing this data within 24 or at most 36 *hours* after a call has been recorded at the switch, for approximately 99% of the calls made by LCI customers in Illinois, Ameritech is not providing the information to LCI concerning those calls until 3-7 *days* after the call was made. [See Ex. B, Marlin Aff., submitted to the Illinois Commerce Commission, April 22, 1997]

³ Timely AEBS data is critical to billing time and materials charges that are passed through to customers. Since our resale relationship began late last year, LCI has received billing data from Ameritech's AEBS system only sporadically as follows:

November data was received via tape on 1-6-97
December data was received via tape on 1-14-97
January data was received via Connect:Direct on 3-1-97
February data was received via Connect:Direct on 3-26-97
March data was received via Connect:Direct on 4-17-97
April data was received via Connect:Direct on 5-16-97

[See Ex. C]

cannot provide customers with the same quality or level of billing, because Ameritech does not provide it to us. [See Ex. A]

On USOC codes as well, Ameritech has been inconsistent and vague. It adds USOC codes, takes down the Website for up to a month where they are listed, and does not give LCI the same access its own sales people have to USOC codes. While this may seem like a minor complaint, in fact accurate USOC codes are at the heart of the ordering process. There are approximately 10,000 USOC codes; and they are different by RBOC and by metropolitan area, and differ as well according to whether the service is residential or business. They are written in what appears to be Greek, not English, with unintelligible letters jammed together with no spaces. Each separate USOC code represents a different service. It is absolutely crucial to the integrity of LCI's orders that every single letter in every single USOC code be correct, or the order will be rejected. [See Ex. D] LCI's repeated requests for equal access to Ameritech's USOC codes have been met with indifference.

Obtaining accurate and timely customer service records is the crucial first step in transitioning customers from an RBOC to LCI, yet LCI has encountered substantial difficulties in receiving CSRs as well. Several RBOCs with whom LCI does resale business (Bell South and PacBell) produce customer service records (CSRs) only on media that prevent LCI from electronically manipulating the data, unless LCI completely rekeys the information into its own computers. Rekeying this information increases the error rate and increases the risk that customer service will be turned up incorrectly.

While Ameritech will provide CSRs electronically, these CSRs unfortunately are in free-form text. This requires LCI and other CLECs to develop sophisticated parsing routines to interpret the many different formats. These systems must be developed in a trial-and-error fashion due to the lack of specifications and documentation on the free-form text. Moreover, the format of the CSRs varies from one RBOC to another, and some RBOCs, including Ameritech, have multiple CSRs within a single state, making it even more difficult to standardize preordering software and to develop preordering procedures.

State agencies reviewing Ameritech's OSS have come to the same conclusions as LCI as to the state of Ameritech's OSS readiness.

As the Illinois Commerce Commission Hearing Examiner concluded in March, 1997, Ameritech is not currently providing CLECs with nondiscriminatory access to its OSS. And, until Ameritech presents "empirical evidence that Ameritech's OSS are operational and functional," Ameritech will not be found to be providing nondiscriminatory access to its OSS. [See Ex. E, Illinois Proposed Order at 28] Thus, "Ameritech must ensure the connecting carriers have sufficient information of Ameritech's OSS, including working with carriers that experience rejected orders and/or orders that require manual intervention" and "Ameritech must also show that carriers are able to utilize Ameritech's OSS in a sufficient manner that will accommodate the demand of a new LEC's services by end users." In short, "[a]t this point, we are not convinced that carriers will be able to offer its services to the general public with the expectation that all service orders will be processed."

After two days of hearings devoted exclusively to OSS issues, the Wisconsin Public Utilities Commission concluded unanimously in April, 1997 that Ameritech's OSS were neither sufficiently tested nor operationally ready. [See Ex. F, Wisconsin Order at 2-8] It found that, not only did many problems exist with Ameritech's systems, but that new problems were arising regularly, demonstrating that the systems were not stable, reliable or predictable.

The Wisconsin Public Utilities Commission directed its staff to draft an order regarding Ameritech's Statement of Generally Available Terms and Conditions (SGAT). The staff's draft order, published May 5, 1997, rejected Ameritech's SGAT and its supporting testimony of Rogers, declaring that "Ameritech's Operations Support Systems (OSS) are not tested and operational." Ibid.

The Michigan Public Service Commission, the only commission to date to approve Ameritech's compliance, has just this week (for the first time) scheduled its own OSS hearings, to be held May 28, 1997 in Lansing, exactly coincident with these hearings. Thus, no findings have ever been made on OSS by the State of Michigan.

I have focused thus far on Ameritech, because of my understanding that it is perceived as being operationally ahead of the other ILECs. Other ILECs, unfortunately, are no better.

NYNEX

Just two weeks ago, on May 13, 1997, the Administrative Law Judge of the New York Department of Public Service reviewed the status of NYNEX's

SGAT, stating: "Following consideration of the record of the Technical Conference, the parties' briefs and reply briefs, and the informal discussions between parties and advisory staff," she declared: "Because of the shortcomings in this record, a recommendation to the Commission to approve the Statement is not feasible." [See Ex. G] [For an overview of LCI's experience, see Ex. G-2, Wajsglas Aff.]

At a technical conference conducted in April, 1997 by the New York Public Service Commission, prior to the ALJ's decision, NYNEX conceded myriad shortcomings⁴ in its providing adequate nondiscriminatory OSS functions.⁵

⁴ These included: (i) NYNEX currently cannot provide electronic notification of rejected orders [See Ex. H at 470]; (ii) CLECs cannot change or correct their orders electronically until a service order has been assigned [*ibid.* at 492]; (iii) CLECs cannot place "migration as specified" orders, which substantially increases their time and cost in placing orders to NYNEX [*ibid.* at 436]; (iv) CLECs cannot, through NYNEX's OSS, determine a customer's billing telephone number from the customer's working telephone number, while NYNEX's own retail service personnel can obtain such information [*ibid.* at 448-49]; and (v) NYNEX has not done any substantial testing of the operational capabilities of its OSS interfaces [*ibid.* at 442-43]. Others at that conference identified even more problems with NYNEX's OSS, including: (i) "[t]he trouble process has been very convoluted" -- "[i]t's been a combination of faxing, chasing down the appropriate repair personnel via phone and following through on the system like that," and "we are unable to enter trouble tickets into the GUI system" [*ibid.* at 388]; (ii) "there are still many orders you can put in that do not flow directly to NYNEX's Operating Support Systems" [*ibid.* at 389]; (iii) because "we only know working telephone numbers and not bill telephone numbers," "we are unable to access a customer's service record" [*ibid.* at 397]; (iv) where a reasonable response time for accessing various OSS information would be under 10 seconds, the "response time has been a minute and 40 seconds" [*ibid.* at 397-98]; (v) not only is the Web/GUI "not an electronic interface" [*ibid.* at 403], which in itself does not provide parity because it "requires dual entry" and "provides . . . no management reports" [*ibid.* at 434-35], there also "seemed to be areas of the GUI that were not functionally complete, scenarios that were not yet programmed into the GUI" -- "it was very poor support for being able to support multiple features on a single order and it is very cumbersome for the CLEC" and "[w]e experience a lot of error messages that we cannot interpret" [*ibid.* at 416]; (vi) there is a "lack of flow through capability," and "[w]ithout the flow through capability, which means you have manual intervention, all of these interface systems whether they are GUI, whether they are EIF or whether they are EDI are "fancy E-mail systems" [*ibid.* at 435].

⁵ As this Commission well knows, the FCC's commitment to the network platform and the availability of UNEs is the cornerstone of its entire regulatory scheme. The

Bell Atlantic

In LCI's experience, Bell Atlantic presents its own unique case. It has refused to enter into a resale agreement with LCI unless LCI agrees to keep all performance standards for OSS confidential. Indeed, Bell Atlantic would even have LCI seek permission from it before revealing to this expert agency or other government body LCI's experiences with Bell Atlantic's performance standards. [See Ex. I] LCI has strongly objected to this as an effort to stymie public debate of important issues. Indeed, Bell Atlantic's posture would deny this Commission and the department of Justice the right to publicly state their reasoning or views on OSS issues. On May 23, 1997, LCI, frustrated over weeks of lack of response on this issue, agreed to sign the EDI test agreement and resale agreement with the two disputed provisions as Bell Atlantic wanted, subject to LCI's right to challenge them before a government agency. [See Ex. J] No response has yet been received.

From the experience of others, it appears that Bell Atlantic still has a long way to go before it will be able to provide CLECs with workable and non-discriminatory access to its OSS.⁶

Commission affirmed the right to these unbundled combined network elements in paras. 332-41 of its August 1, 1996 Local Competition Order, properly reading the express language of Section 251(c)(3) of the 1996 Telecommunications Act.

⁶ Its OSS, including its ordering and billing interfaces, are not in a state of operational readiness [see Ex. K, Kirchberger Aff (AT&T witness before the Pennsylvania PUC at 2, 6], as even Bell Atlantic concedes [(citing a Bell Atlantic official's concession that, while Bell Atlantic has done the "initial development" of an ordering interface, "it will probably be several years . . . before all LSR [local service request] types are mechanized," and Bell Atlantic "is still 'conducting an operational test to validate the production capabilities of the billing system'")] *ibid.* Moreover, Bell Atlantic's proposed ordering procedure will require Bell Atlantic employees to "manually input [CLECs'] orders into Bell Atlantic's service ordering process systems." To make

BellSouth

BellSouth's problems with OSS are no different from other ILECs. On March 21, 1997, the Georgia Public Service Commission, "[b]ased on a thorough review of the entire body of evidence presented in the record and consideration of general regulatory policy issues," "finds as a matter of fact and concludes as a matter of law" that BellSouth "does not yet fully comply with all of the standards and requirements of Section 251 and 252(d) of the Act, and [its SGAT] therefore should be rejected." [See Ex. L, Georgia PSC Order at 2, 6] Specifically, the Georgia PSC concluded that, "[f]or unbundled access to network elements and for resale, BellSouth has not yet demonstrated that it is able to provide access to operational support systems ('OSS') on a nondiscriminatory basis that places CLECs at parity with BellSouth." [*ibid.* at 10] ⁷

Southwestern Bell (SBC)

Although the Oklahoma Corporation Commission (OCC), in a split decision, approved SBC Communications' (SBC) section 271 application, the

matters worse, Bell Atlantic "has not even disclosed what OSS functions or interfaces are being tested, or what kinds of service order types, or volumes are involved." [*ibid.* at 10] Moreover, Bell Atlantic has not provided AT&T, with whom tests were to start in late March 1997, with "the OSS interfaces necessary for testing." [*ibid.* at 10]

⁷ The Georgia PSC explained as follows: "Nondiscriminatory access to operation support systems (OSS) is an integral part of providing access to unbundled network elements, as well as making services available for resale. The record shows that BellSouth has not yet demonstrated that it is able to fulfill these important aspects of the Statement's provisions on a nondiscriminatory basis that places CLECs at parity with BellSouth. [See Ex. L, Georgia Order at 28] "In addition, the pre-ordering and ordering interim 'web' interfaces, and the interfaces for maintenance and repair, are not projected to be fully operational for roughly two months"; "BellSouth is still working on an interface for Customer Records Information System ('CRIS') billing and for local usage data, both of which may not be ready for two months." [*ibid.* at 28-29] And, "[b]efore BellSouth can offer the interfaces for actual CLEC use, testing must be completed," and to a great extent, "testing has not begun." [Georgia Order at 29]

reality is, as the United States Department of Justice recently confirmed, SBC in Oklahoma has not provided the requisite OSS access. [See Ex. M, DOJ Evaluation at 24-25] The DOJ explained that: (i) “the OCC majority did not adopt detailed factual findings” and “their conclusions appear to rest, in large part, on what we believe to be an incorrect legal interpretation of the checklist”; and (ii) “[i]n contrast to the OCC’s limited view,” the administrative law judge, who found SBC to be lacking, also was supported by “the dissenting OCC Commissioner, the Oklahoma Attorney General, and the OCC staff”).

Specifically, the DOJ concluded not only that “SBC has not demonstrated that its wholesale support processes are sufficient to make resale services and unbundled elements practicably available when requested by a competitor,” “[i]ndeed, there is evidence in the record to suggest that SBC has thwarted CLEC attempts to test and commercially use the wholesale support processes SBC claims to provide,” and “has failed to demonstrate even through internal testing the operation of its automated processes for making resale services and unbundled elements meaningfully available.” [See Ex. M, DOJ Evaluation at 30] And, “[b]ecause none of SBC’s automated wholesale support processes are operational -- commercially or otherwise -- SBC cannot make a demonstration of reliable performance and establish performance measures to ensure reliable support service post-entry. More importantly, even if SBC’s processes were operating at some level, SBC has not established a sufficiently comprehensive set of performance standards, nor supplied its own retail performance information, to permit such a comparison.” [See Ex. M, DOJ Evaluation at 60-61]

PacBell

PacBell's problems with OSS are many and large. They were detailed first by me in a series of letters between Pacific Bell and myself following my comments at the Senate Commerce Committee hearing in March, 1997, that "competition is on the fax room floor at PacBell." [For a full set of that exchange see Ex. N.]

Just one month ago, LCI (and presumably others in the industry) received notice from PacBell that it could not expect PacBell to process more than 2,000-2,500 orders per day by the end of second quarter 1997. By the end of fourth quarter 1997, PacBell estimates it can complete only 5,000-6,000 orders per day. Its own customer base is in the tens of millions of lines, in California, a state with a total population of 31 million people. [See Ex. O]

Finally, in an incredible series of missteps just weeks ago, PacBell disconnected an LCI customer for five days because it could not manage the simple transition on an "as is basis" from PacBell to LCI resale. The series of letters between LCI and PacBell concerning this incident is attached hereto as Ex. P.

II. Unbundled Network Elements

The Commission should be aware that the entire construct in its Access Charge Decision -- relying on market forces to control access charges, and exempting unbundled network elements from access charge payments -- today simply is non-functional. As this Commission well knows, the FCC's commitment to the network platform and the availability of UNEs is the cornerstone of its

entire regulatory scheme. The Commission affirmed the right to these unbundled combined network elements in paras. 332-41 of its August 1, 1996 Local Competition Order, properly reading the express language of Section 251(c)(3) of the 1996 Telecommunications Act. Unless the Commission acts promptly and powerfully to drive this process, the entire regulatory edifice the Commission has constructed to support its various decisions in the Telecommunications Act will crumble. It is built upon what today can only be described as quicksand -- the purported availability of unbundled network elements (UNEs).⁸

It is simply a fact that if the track record of the ILECs in the resale environment has been poor, there is no track record in unbundled network elements. LCI has made efforts to institute tests with each ILEC with which it does business for unbundled combined network elements ("UNEs"), so that LCI could gain experience in the important OSS processes underlying them. LCI's experience with OSS for UNEs is set forth briefly below.

⁸ In this regard, although it does not deal with OSS specifically, let me highlight the critical importance of the Commission's transport decision pending now. If the Commission were to grant Ameritech's request on its views on common transport, it would drive a stake through the heart of any chance at the unbundled network element platform being successful. If that were to happen, the FCC's arduous efforts over the last year and a half would have been in vain, for there will be no way out of access charges, short of immediately becoming a full facilities-based carrier. That, of course, cannot happen overnight, even with all the money in the world. The short of it is that the Commission must deny Ameritech's position on the transport issues if the UNE platform is to remain viable, and it must immediately drive the ILECs to establish OSS for the UNE platform so that this procedure can work.

NYNEX

LCI met with NYNEX on March 25, 1997, and asked to order the UNE Platform first for its New York Sales office, and next for friendly customers. LCI was told frankly by Mr. Jack Goldberg, Vice President of NYNEX Wholesale Services, that LCI's test with NYNEX would be the first such test NYNEX had conducted and that NYNEX welcomed the opportunity to gain experience in this new field. [See Ex. Q] LCI continues to work cooperatively with NYNEX, but the test is not far advanced, and whatever comes out of it, the test is in no way, shape or form scaleable to commercial operations. NYNEX, as its Vice President of Wholesale Services readily admitted just two months ago, is simply brand new to OSS in the UNE environment.

Ameritech

LCI's experience with Ameritech has been one of long frustration, until just days ago. The saga began on February 28, 1997, when LCI met with Ameritech and sought to order the UNE platform, first for its Chicago and Detroit sales offices, and next for friendly customers in Michigan and Illinois. [For the complete exchange, see Ex. R-2] LCI's goal was to gain OSS experience in the UNE environment, so that it could take advantage of the network platform promptly. After three months of meetings and letters, in which Ameritech professed not to understand LCI's request, Mr. Neil Cox, President of Ameritech Industry Information Systems (AIIS) told me in a meeting on May 22, 1997 that the only reason Ameritech was not honoring LCI's request to order the network platform in Chicago and Detroit on a trial basis was because it was already

engaged in such a test with AT&T, and that he, Mr. Cox (who is in charge of all wholesale matters including unbundled network elements), simply did not have the resources available to conduct two engineering tests at once. [See Ex. R] If that is the case, LCI questions how Ameritech can possibly be prepared to meet the Department of Justice's comments to the Southwestern Bell application [see Ex. M at p. 28]:

Further, a RBOCs wholesale support processes must offer a level of functionality sufficient to provide CLECs with a meaningful opportunity to compete using resale services and unbundled elements. Thus in general, to satisfy the checklist wholesale support processes must be automated if the volume of transactions would, in the absence of such automation, cause considerable inefficiencies and significantly impede competitive entry. (emphasis added)

BellSouth, PacBell and Bell Atlantic appear to be even less far along. It is simply a fact, to the very best of LCI's knowledge, that no ILEC to date is even close to having any substantial experience whatsoever in providing OSS for unbundled network elements. This critical part of the Telecommunications Act is a gaping hole today, despite LCI's, and apparently others', best efforts to gain understanding and experience in it.

CONCLUSION

This brief history demonstrates the variety of problems facing CLECs today, as they struggle to compete on an equal footing with well-established, powerful monopolist competitors who are fully in control of their own computer systems, and fully able to process orders, send bills, and perform the basic services every telephone consumer has a right to expect without difficulty. It is simply a fact that competitors today cannot do this, even in the relatively simple

resale environment. This Commission's action is urgently needed to set performance standards so that competitors, CLECs and ILECs alike, and most importantly the consuming public, will have quick, speedy and final resolution of the problem of OSS standards.

The ILECs have refused or have been unable to provide the kind of data and measurement criteria that would be needed for the CLECs to determine if they are being provided parity of OSS access. [See, e.g., DOJ Evaluation at 60-61 ("[S]BC has not established a sufficiently comprehensive set of performance standards, nor supplied its own retail performance information, to permit such a comparison") and Friduss affidavit [Ex. M-2, attached to the DOJ filing]. In view of that vacuum, LCI asks this Commission to detail what would constitute a fully-functioning OSS accessible to competitors on an adequate basis. If an ILEC could meet these suggested criteria, it then reasonably can be assumed that parity has been achieved (or, if true parity of access has not been achieved, at least sufficient access will have been provided so that it can be assured that the CLECs have been provided a reasonable and adequate level of OSS functionality).

The Commission correctly has identified access to reasonable, adequate OSS functions of the ILECs on a nondiscriminatory, parity basis as an "essential," "absolutely necessary" predicate for CLECs to be able to compete in local telephone markets. In adopting LCI's suggestion that the Commission establish performance standards for OSS, the Commission would be providing heightened clarity that will benefit everyone in the industry, and ultimately -- and

most importantly -- the American consumer. Until ILECs meet their burden under Section 251 of the Telecommunications Act of 1996, by showing that they are providing workable, functioning OSS, the consumer will not enjoy the benefits of lower prices and enhanced quality that true local telephone competition promises to bring.

I wholeheartedly endorse the policy, theoretical and practical considerations which underlie the Commission's emphasis on the network platform. The Commission is right as a matter of policy, as a matter of antitrust law, and as a matter of interpretation under the Telecommunications Act. Everything the Commission has done to date in this respect has been laudable, appropriate and correct. But let me send a large red warning signal of real and impending danger that the Commission's arduous efforts will crumble and come to naught if the Commission does not help the industry and help consumers now by immediately coming to grips with the OSS issues, both for resale and for the all-important UNE platform.

This Commission should take immediate and meaningful action to douse the flames which threaten to consume the rights guaranteed and promises made to consumers and competitors alike in the Telecommunications Act of 1996.

EXHIBITS

VOLUME 1



January 29, 1997

Michael O'Sullivan
Resale Market Consultant
7802 Quarry Cliff Ct.
Reynoldsburg, OH 43068

Mike,

This letter serves to document several of the issues that hinder LCI from effectively supporting customers in a resale environment. These issues have remained pending for several months with no acceptable resolution.

The Daily Usage file does not contain call detail that is current enough for LCI to do a complete monthly billing. Greater than 85% of the calls continue to reach LCI five or more days following the call date. At month end, delayed calls are causing LCI to run delayed billing. LCI expects 90% of all calls to be received within 48 hours of call date.

The AEBS file, containing all Non-recurring charges for the month, is not being sent to LCI in a timely manner. Ameritech is assuring that the tape/direct connect information will be forwarded 8-10 days following the specified cutoff date. Again, this delay causes LCI to delay billing so that Non-recurring charges may be included. LCI is requesting for AEBS (or at least NRC's) to be generated on a daily basis.

No Completion Notification process exists during the provisioning of orders. Until such a time that LCI has electronic bonding with the Ameritech service center, it is important for LCI to be informed when due dates have been met or missed. It would be acceptable to receive this information via fax or email. It would not be necessary for the information to be sent for every individual order, but may be sent as a daily notice. Example of what occurs when no notice is received: Embassy Executive Center is not billing. LCI made contact with AHS who reports the conversion work was not complete until 1/22 (application was submitted 11/18). We are still unsure if provisioning occurred as we are not receiving traffic. We received neither a Confirmation that provisioning occurred or a Notice that provisioning would be delayed. The customer will probably receive a monthly charge from both Ameritech and LCI.

Please call me if any clarification is needed regarding this issue.

Sincerely,

Kirsten Johnson
Local Project Manager

cc Greg Casey
Mike Wajsgas

TAB A-1



2/1-

Jim Styff
Ameritech AIIS
804 N Milwaukee St.
3rd Floor
Milwaukee, WI 53202

Mr. Styff,

The LCI account of LaRabbida was assumed on 12/16/96 to be converted to LCI. A few mistakes were made by LCI on this account, however, they were fixed and were supposedly taken care of on 1/22/97. LCI has not received usage on this customer as of 2/11/97. We missed January's billing run for this customer yet LCI should have had some January charges. This issue was escalated on 2/11/97 to Jill Collins. We have had similar situations with usage in the past and do not want to risk this going on for months. We expect to receive usage on this account by 2/14/97. Please call with any questions.
La Rabbida - ID 773-363-6710

Sincerely,

Beth Rausch
LCI Local Services

TAB A-2

LCI International®

Worldwide Telecommunications

April 9, 1997

Michael O'Sullivan
Ameritech
Resale Market Consultant
7802 Quarry Cliff Court
Reynoldsburg, Ohio 43068

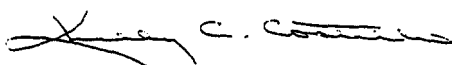
Dear Mike,

Per our conference call on Monday, April 7, 1997, below I have outlined some issues and action items that we discussed.

- LCI has requested that a documented coordination procedure be put in place for when a customer is moving from one reseller to another. This request has been outstanding since 2/10/97; in a letter written by Kirsten Johnson on 3/24/97, she requested a completion date for this procedure of 3/27/97. This procedure has still not been completed and you, on behalf of Ameritech, have now promised me a completion date for this project on 4/14/97.
- Starting on 11/11/96, LCI has requested inside wiring and Line Backer proposals from Ameritech. LCI was informed on our 3/31/97 conference call that we will not receive Line Backer, but will receive pricing for Warm Transfer and Inside Wiring. This pricing is long overdue and, as we discussed, LCI expects to have this pricing on or before our 4/21/97 conference call.
- Since 12/16/96, LCI has requested that the daily usage file that we receive from Ameritech should be received with the most current information and in a timely manner in order for LCI to do our monthly billing. Even though the Ohio resale agreement states that usage will be provided to LCI within a 72-hour timeframe, LCI is receiving 87% of usage in a 4 -day timeframe and 96% in a 5-day timeframe. This certainly does not constitute even "best efforts" on Ameritech's part.
- On 4/7/97, we discussed an issue involving a USOC (1B8) in Chicago. Specifically, when LCI is "assuming" customers "as is" this USOC is showing up on the CSR. This USOC is a flat-rated product and you stated that not only can you not provide us usage for these customers, but you are curious as to how we are getting these customers in the metropolitan Chicago area when Ameritech doesn't sell their flat-rated product except in the rural areas. You stated you would look into this immediately and get back to me this week.

I look forward to our conference call on 4/14/97 and hope that we may resolve several of these issues in a timely manner.

Sincerely,


Kelly C. Costello
Project Coordinator

cc: Anne Bingaman
Greg Casey
Mike Wajsgas

LCI International®

Worldwide Telecommunications

May 20, 1997

Michael O'Sullivan
Ameritech
7802 Quarry Cliff Court
Reynoldsburg, Ohio 43068

Dear Mike,

Per our conference call on Monday, May 19, 1997, below is a list of items that require immediate attention.

La Rabida: Per our conference call on 5/13, which included Dar Siejkowski, you and Dar stated that you thought the last order, which remains on LCI's system, should be converted back to Ameritech's system on 5/14/97. It is now almost a week later and this order has still not been converted; Ameritech remains puzzled and is unable to provide LCI with a completion date, let alone to provide us with daily updates. This has been a horrendous situation and the resolution time is inexcusable! Ameritech also informed us that there are approximately 72 ANI's on the last order, but has yet, despite repeated requests, supplied us with a list of those ANI's.

Mark IV Realty: On April 28, 1997 and May 1, 1997 LCI sent information regarding several ANI's that are unidentifiable. When we received input back from Ameritech, we were given conflicting information that these ANI's were definitely LCI's ANI's, then we were told that they were not our ANI's.

As I have written in prior letters, the question remains, why is LCI receiving large volumes of traffic for this customer? You have informed us that the LD pic on Mark IV is AT&T and the intraLATA toll and local pic is Ameritech. LCI requests resolution of this matter immediately!

Fox Valley Fire & Safety: As I mentioned in my letter dated May 14, 1997, this account was converted on December 20, 1996. On 5/10/97 we finally started showing usage for this customer, but the question remains of where was their usage from 12/96-5/97 and what Ameritech plans to do to reconcile the billing?

AEBS Timeliness: Per our conversations on 4/28, 5/5 and 5/12, on behalf of Ameritech you ensured us that we would start receiving our AEBS information on time. As documented in prior letters, we have never received this data on time and therefore cannot bill our customers in a timely manner. The April AEBS was also delayed 4 days and we have been informed by you that we would receive our May AEBS on 6/9. Due to past experience, we have trouble believing this.

Contract Requests: One of our discussions yesterday was regarding ValueLink and other term contracts. I have requested generic forms of the following contracts for each Ameritech region and would like to receive these immediately: ValueLink, Centrex, Grandfathered Products and any other Ameritech contracts with term discounts/commitments.

Daily Usage Files: We did not receive daily usage files on Saturday, May 17th or Monday, May 19th, and received our most recent, incomplete usage today. Evidently, the reason for this was that on Friday, May 16th Ameritech installed new software that extracts the call detail for Ameritech's rebillers. The service that LCI expects from Ameritech in receiving this data was not fulfilled and we are evaluating the impact this will have on us. Not only is it incomprehensible that Ameritech would install software that may have the potential to cause a problem for its resellers, but it would have been courteous of Ameritech to inform its resellers before this type of an installation occurs.

Follow-up Letters: I am also expecting letters from you with regard to the LOI for voicemail that we extended to 7/1/97 and a response to my letter regarding Yellow Pages Advertising dated 4/28/97.

I look forward to our next conference call on 5/27/97 and hope that we may resolve these issues immediately.

Sincerely,



Kelly C. Costello

cc: Anne Bingaman ✓
Greg Casey
Jim Styf

7/20/00

4/22

Docket No. 96-0404
LCI International Telecom Corp.

DIRECT TESTIMONY OF W. DAVID MARLIN

Qualifications

Q. Please state your name and business address.

A. My name is W. David Marlin. My business address is LCI International Telecom Corp. ("LCI"), 4650 Lakehurst Court, Dublin, Ohio 43017.

Q. How long have you been employed by LCI?

A. Almost nine years.

Q. What is your educational background?

A. I hold a BS degree in mathematics from Southern Utah University, and in June of 1997, I will complete the course work for an MBA degree in an executive MBA program offered through Ohio University.

Q. What is your job title at LCI and what are your responsibilities in that job?

A. For the past year, I have been the Operations Manager for LCI's Data Center. LCI's Data Center is responsible for, among other things, receiving and processing all billing data from calls made by LCI's long distance customers, both residential and business. The Data Center is also now responsible for receiving and

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